

PROCEDURE 0510.18 Obtaining a Procurement Card
Issued October 3, 2005

SUBJECT: Obtaining a Procurement Card

APPLICATION: Executive Branch Departments and Sub-units.

PURPOSE: To describe the policies and procedures for obtaining a State of Michigan Procurement Card.

CONTACT AGENCY: Department of Management and Budget (DMB) – Financial Services

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SUMMARY: Procurement cards provide State of Michigan personnel with the ability to effectively and efficiently make small, delegated purchases. To ensure the integrity of the program a request to become a cardholder must be approved by the employee supervisor and the department administrator.

PROCEDURES:

I. DMB – Financial Services Statewide Procurement Card Program Manager:
The state procurement card program manager is responsible for the statewide administration of the state's procurement card program.

Statewide program manager duties related to new card assignment include:

- Analyze new accounts.
- Review and approve spending limits established for cardholders.
- Ensure accounts are located in the hierarchy for reporting purposes.
- Establish appropriate limitations to merchant categories for cardholder groups and ensure cards are placed in correct group.
- Ensure department administrators have access to current cardholder and supervisor program manuals.
- Maintain confidentiality of information provided on the applications.

II. Department/Agency Procurement Card Administrator:

Each department/agency will have an agency procurement card administrator responsible for the administration of all procurement card activities within their department/agency.

Responsibilities relating to obtaining a procurement card include:

- Ensure internal procedures for obtaining, using, and controlling procurement cards are developed and maintained.
- Provide an application to employee/supervisor upon request.
- Review applications to ensure necessary information and signatures are completed including:
 1. Employee first and last name.
 2. Date of Birth.
 3. Social Security number or nine-digit numerical security code.
 4. Business phone number.
 5. Employee signature.
 6. Position.
 7. Employee Supervisor/manager name (last, first) printed.
 8. Supervisor or manager full signature.
 9. Supervisor/manager office phone number.
 10. Supervisor/manager fax number.
 11. Spending limits requested are within the delegated authority.
 12. The second line of embossment for this credit card should include the department initials and bureau or division identifier.
- Approve only one authorized user per card by signing and dating the application if appropriate.
- Maintain confidentiality of the information provided on the application, specifically the social security number. Completed applications should be stored in a locked location.
- Utilize online software capabilities to create new account from application.
- Obtain signed supervisory agreement, provide supervisor manual to cardholder supervisor.
- Obtain signed cardholder agreement, provide card and cardholder manual to employee.
- Receive new procurement cards from service provider and confirm name, and second line of embossing.
- Utilize online software, move new account from “unassigned” to the correct hierarchy level within the department.
- Assign the default account coding for this cardholder in the employee profile.
- Maintain a current cardholder hierarchy list that includes the designated individual that approves their transaction.

II. Department/Agency Cardholder:

The cardholder is the person authorized to use a given procurement card.

Relative to obtaining a procurement card, cardholders must:

- Activate account with the service provider after receiving the card, reviewing the cardholder manual, and signing and returning the cardholder agreement.

IV. Cardholder's Supervisor:

This employee is typically the direct supervisor of the cardholder or is a supervisory employee designated by the department as responsible for transaction approval. Employee must have knowledge of the procurement card program requirements contained in the Supervisors Manual.

Responsibilities relating to obtaining a procurement card include:

- Approves the application for a procurement card for State of Michigan employees if it meets a business need for the department/agency.
- Recommend daily and monthly spend limits to be requested on the application.
- Forward request to agency procurement card administrator for processing.

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